



Course Specifications

Course Title:	Actuarial Corporate Finance
Course Code:	ACTU 262
Program:	Actuarial and Financial Mathematics
Department:	Mathematics
College:	Science
Institution:	King Saud University

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A. Course Identification

1. Credit hours: 3 (3+0+0)
2. Course type a. University <input type="checkbox"/> College <input type="checkbox"/> Department <input checked="" type="checkbox"/> Others <input type="checkbox"/> b. Required <input checked="" type="checkbox"/> Elective <input type="checkbox"/>
3. Level/year at which this course is offered: Level 5
4. Pre-requisites for this course (if any): Fin 200
5. Co-requisites for this course (if any):

6. Mode of Instruction (mark all that apply)

No	Mode of Instruction	Contact Hours	Percentage
1	Traditional classroom	45	
2	Blended		
3	E-learning		
4	Distance learning		
5	Other		

7. Contact Hours (based on academic semester)

No	Activity	Contact Hours
1	Lecture	45
2	Laboratory/Studio	
3	Tutorial	
4	Others (specify)	
	Total	45

B. Course Objectives and Learning Outcomes

1. Course Description

This course gives an understand of the following terms and concepts:

Corporate finance and the financial manager, forms of business organization, the goal of financial management, the agency problem and control of the corporation, financial markets and the corporation, balance sheet, taxes, cash flow, cash flow and financial statements, standardized financial statements, ratio analysis, the Du Pont Identity, using financial statement information, financial planning models, the percentage of sales approach, external financing and growth, future value and compounding, present value and discounting, future and present values of multiple cash flows, valuing level cash flows: annuities and perpetuities, comparing rates: the effect of compounding, loan types and loan amortization, bonds and bond valuation, bond ratings, common stock valuation, some features of common and preferred stocks, stock markets.

2. Course Main Objective

To provide an understanding of how a company optimizes its corporate finance decisions based on its business objectives and how to gauge a company's performance through an evaluation of its financial reports.

3. Course Learning Outcomes

CLOs		Aligned PLOs
1	Knowledge and Understanding: The student will be able to	
1.1	Demonstrate mastery of some concepts of corporate finance.	K3
2	Skills: The student will be able to	
2.1	Apply the studies basic theoretical concepts of corporate finance in business and projects.	S1
2.2	Analyze the interrelationships between the income statement, cash flow statement, and balance sheet, in order to measure a corporation's financial performance.	S3
2.3	Communicate, argue and defense on his own work effectively both orally and in writing.	S4
3	Values:	
3.1	Demonstrate commitment to financial manager profession.	V1
3.2	Study, learn and work independently and/or in team.	V2
3.3	Acquiring the approved of VEE-corporate finance exam of SOA.	V3

C. Course Content

No	List of Topics	Contact Hours
1	INTRODUCTION TO CORPORATE FINANCE a. Corporate Finance and the Financial Manager b. Forms of Business Organization. c. The Goal of Financial Management. d. The Agency Problem and Control of the Corporation. e. Financial Markets and the Corporation.	6
2	FINANCIAL STATEMENTS, TAXES, AND CASH FLOW a. The Balance Sheet b. The Income Statement c. Taxes d. Cash Flow	6
3	WORKING WITH FINANCIAL STATEMENTS a. Standardized Financial Statements b. Ratio Analysis c. The Du Pont Identity d. Using Financial Statement Information	6
4	LONG-TERM FINANCIAL PLANNING AND GROWTH a. What Is Financial Planning b. Financial Planning Models: A First Look	6

	<ul style="list-style-type: none"> c. The Percentage of Sales Approach d. External Financing and Growth e. Some Caveats Regarding Financial Planning Models 	
5	INTRODUCTION TO VALUATION: THE TIME VALUE OF MONEY <ul style="list-style-type: none"> a. Future Value and Compounding b. Present Value and Discounting c. More about Present and Future Values 	3
6	DISCOUNTED CASH FLOW VALUATION <ul style="list-style-type: none"> a. Future and Present Values of Multiple Cash Flows b. Valuing Level Cash Flows: Annuities and Perpetuities c. Comparing Rates: The Effect of Compounding d. Loan Types and Loan Amortization 	3
7	INTEREST RATES AND BOND VALUATION <ul style="list-style-type: none"> a. Bonds and Bond Valuation b. More about Bond Features c. Bond Ratings d. Some Different Types of Bonds e. Bond Markets f. Inflation and Interest Rates g. Determinants of Bond Yields 	3
8	STOCK VALUATION <ul style="list-style-type: none"> a. Common Stock Valuation b. Some Features of Common and Preferred Stocks c. The Stock Markets 	3
9	NET PRESENT VALUE AND OTHER INVESTMENT CRITERIA <ul style="list-style-type: none"> a. Net Present Value b. The Payback Rule c. The Discounted Payback d. The Average Accounting Return e. The Internal Rate of Return f. The Profitability Index g. The Practice of Capital Budgeting 	3
10	MAKING CAPITAL INVESTMENT DECISIONS <ul style="list-style-type: none"> a. Project Cash Flows: A First Look b. Incremental Cash Flows c. Pro Forma Financial Statements and Project Cash Flows d. More about Project Cash Flow e. Alternative Definitions of Operating Cash Flow f. Some Special Cases of Discounted Cash Flow Analysis 	6
Total		45

D. Teaching and Assessment

1. Alignment of Course Learning Outcomes with Teaching Strategies and Assessment Methods

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
1.0	Knowledge and Understanding		
1.1	Demonstrate mastery of some concepts of corporate finance.	Lecture Strategy Discussion and dialogue strategy	Project Two midterms Final exam
2.0	Skills		
2.1	Apply the studies basic theoretical concepts of corporate finance in business and projects.	Oral Discussion with students Solving simple examples and give homework	Midterms Final exam
2.2	Analyze the interrelationships between the income statement, cash flow statement, and balance sheet, in order to measure a corporation's financial performance.	Solving problems	
2.3	Communicate, argue and defense on his own work effectively both orally and in writing.	Group discussion	Project
3.0	Values		
3.1	Demonstrate commitment to financial manager profession.	Group discussion	Midterms Final Exam
3.2	Study, learn and work independently and/or in team.		Project
3.3	Acquiring the approved of VEE-corporate finance exam of SOA.	Solving problems	VEE Corporate Finance

2. Assessment Tasks for Students

#	Assessment task*	Week Due	Percentage of Total Assessment Score
1	First midterm exam	Week 5/6	25%
2	Second midterm exam	Week 10/11	25%
3	Project	week13	10%
4	Final exam	Week 15	40%

*Assessment task (i.e., written test, oral test, oral presentation, group project, essay, etc.)

E. Student Academic Counseling and Support

Arrangements for availability of faculty and teaching staff for individual student consultations and academic advice :

1. 10 office hours weekly.
2. Encouraging students to get in touch with the instructor via LMS (Bb).

F. Learning Resources and Facilities

1. Learning Resources

Required Textbooks	Fundamentals of Corporate Finance, S. A Ross, R. W. Westerfield and B. D Jordan, McGraw-Hill/Irwin, Ninth Edition, 2010.
Essential References Materials	Corporate Finance, Berk, Jonathan and Demarzo, Peter, 4th Edition, 2017.
Electronic Materials	https://www.soa.org http://www.casact.org/
Other Learning Materials	LMS (Bb), Webinars, TeamViewer, google apps, virtual classroom.

2. Facilities Required

Item	Resources
Accommodation (Classrooms, laboratories, demonstration rooms/labs, etc.)	Accommodation (Classrooms, laboratories, demonstration rooms/labs, etc.) Classrooms
Technology Resources (AV, data show, Smart Board, software, etc.)	AV, data show, Smart Board, LMS (Bb)
Other Resources (Specify, e.g. if specific laboratory equipment is required, list requirements or attach a list)	LMS (Blackboard), ZOOM, Cisco Webex

G. Course Quality Evaluation

Evaluation Areas/Issues	Evaluators	Evaluation Methods
An evaluation sheet for the course to be filled by the students at the end of each semester.	Students	Website: Edugate.ksu.edu.sa
Take the students' opinion about the course under consideration.	Students	Questionnaires
Colleagues' opinions about students' performance in this course	Faculty Program Committee	Analyzing the course evaluation conducted by students at the end of the semester
Effectiveness of teaching and assessment	Instructor	Identification of the level of the students in solving homework and quizzes and answering oral questions

Evaluation areas (e.g., Effectiveness of teaching and assessment, Extent of achievement of course learning outcomes, Quality of learning resources, etc.)

Evaluators (Students, Faculty, Program Leaders, Peer Reviewer, Others (specify))

Assessment Methods (Direct, Indirect)

H. Specification Approval Data

Council / Committee	Department of Mathematics/Actuarial and Financial Mathematics
Reference No.	
Date	January 2, 2021